



To whom it may concern,

Company name istyle Inc.

Representative Tetsuro Yoshimatsu, Chairperson and CEO

(Stock Exchange Code: 3660 Prime Market)

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Notice Concerning Reduction of Capital Reserve and Appropriation of Surplus

istyle Inc. (the "Company") announces that today, its Board of Directors resolved the *Reduction of Capital Reserve* and Appropriation of Surplus in accordance with the provisions of Article 459, Paragraph 1, Items 2 and 3 of the Companies Act and the Company's Articles of Incorporation.

1. Purpose of Reduction of Capital Reserve and Appropriation of Surplus

As of June 30, 2024, the Company recorded a 2,811-million-yen deficit in retained earnings carried forward in its non-consolidated financial statements. The Company will reduce the amount of capital reserve and appropriate surplus in accordance with the provisions of Article 448, Paragraph 1 and Article 452 of the Companies Act, respectively, with the aim of making up for this deficit and improving the financial soundness of the Company, as well as ensuring the flexibility and mobility of its capital policy, including future shareholder returns.

As the reduction of capital reserve meets the requirement of the proviso to Article 449, Paragraph 1 of the Companies Act, the procedures for creditors making objections are not required.

2. Details of Reduction of Capital Reserve

In accordance with the provisions of Article 448, Paragraph 1 of the Companies Act, the amount of capital reserve will be reduced and the same amount will be transferred to other capital surplus.

(1) Amount of capital reserve to be reduced

Capital reserve: 2,811 million yen out of 5,490 million yen

(2) Amount of other capital surplus to be increased

Other capital surplus: 2,811 million yen

(3) Method of reducing the amount of capital reserve

The total number of issued shares will not be changed, and the entire amount of the capital reserve to be reduced will be transferred to other capital surplus.

3. Details of Appropriation of Surplus

In accordance with the provisions of Article 452 of the Companies Act, the increase in other capital surplus as described in 2. above will be transferred to retained earnings carried forward to make up for the deficit.

(1) Item and amount of surplus to be reduced

Other capital surplus: 2,811 million yen

(2) Item and amount of surplus to be increased

Retained earnings carried forward: 2,811 million yen



4. Schedule

(1) Date of resolution by the Board of Directors: August 20, 2024

(2) Effective date: August 20, 2024

5. Outlook

This is a transfer between accounts in the net assets section of the balance sheet, and there will be no change to the Company's net asset value. As this is a capital reduction without repayment, there will be no change in the total number of issued shares, and there will be no impact on the number of shares held by shareholders or the net assets per share.